



USDA/NASS  
New Mexico Field Office

# Weekly Ag Update

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## INCLUDED IN THIS ISSUE - SEPTEMBER 18, 2006

Crop Weather      September Crop Production      Dairy Outlook

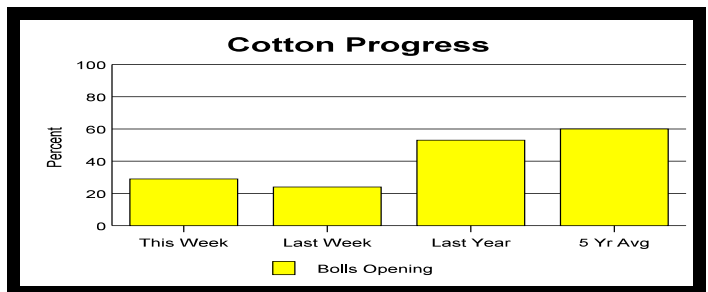
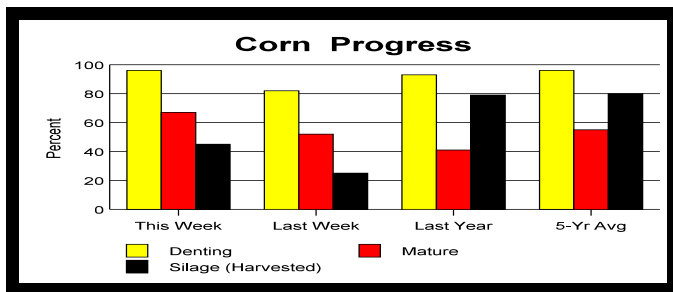
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## CROP SUMMARY FOR THE WEEK ENDING SEPTEMBER 17, 2006

**NEW MEXICO:** There were 6.4 days suitable for field work. Topsoil moisture was 4% very short, 14% short, 71% adequate and 11% surplus. Wind damage was 17% light. Hail damage was reported as 1% light, 1% moderate and 3% severe. Farmers spent the week harvesting and planting, cultivating and spraying for pests. Alfalfa was reported as 4% very poor, 13% poor, 44% fair, 31% good and 8% excellent with 100% of the fourth cutting complete, 63% of the fifth cutting complete, 14% of the sixth cutting complete. Irrigated sorghum was reported as fair to excellent with 77% coloring and 25% mature. Dry sorghum condition was reported as very poor to excellent with 34% coloring and 1% mature. Total sorghum condition was reported as 15% very poor, 17% poor, 29% fair, 34% good, and 5% excellent with 49% coloring and 9% mature. Total winter wheat planted was reported at 78%. Peanuts were reported as 2% very poor, 2% poor, 71% fair, 23% good and 2% excellent. Lettuce condition was reported as fair to excellent. Apple conditions were reported as poor to good with 50% harvested. Pecan conditions were reported as poor to excellent. Cotton was reported as 2% very poor, 4% poor, 35% fair, 45% good and 14% excellent with 29% bolls opening. Chile condition was reported as 4% very poor, 16% poor, 25% fair, 48% good, and 7% excellent. Green chile was reported as 82% harvested. Corn condition was reported as 1% very poor, 3% poor, 7% fair, 60% good, and 29% excellent, with 96% in the dent stage, 67% mature and 45% harvested for silage. Cattle conditions were reported at 1% very poor, 3% poor, 20% fair, 63% good and 13% excellent. Sheep conditions were reported as 6% very poor, 8% poor, 45% fair, 31% good and 10% excellent. Range and pasture conditions were reported as 7% very poor, 10% poor, 16% fair, 43% good and 24% excellent. Ranges and pastures were reported as continually improving. Much of the state received some rain; some parts of the state received hail; some received the first freeze of the season. There was a tornado sighting in western Dona Ana county. The rain and hail from this caused some crop damage. Some counties reported insects and disease due to all the wet weather.

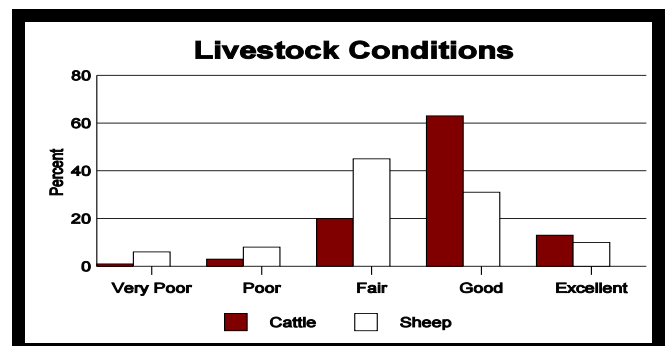
## CROP PROGRESS PERCENTAGES WITH COMPARISONS

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
CHILE	Harvested	82	80	79	81
CORN	Denting	96	82	93	96
CORN	Mature	67	52	41	55
CORN SILAGE	Harvested	45	25	79	80
COTTON	Bolls Opening	29	24	53	60
SORGHUM	Coloring	49	24	44	57
SORGHUM	Mature	9	6	8	6



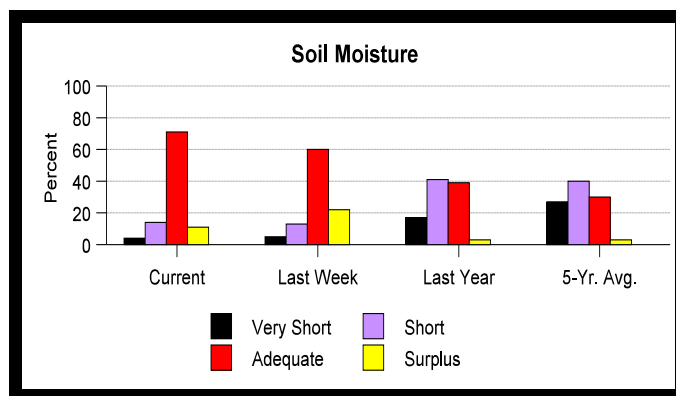
## CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	4	13	44	31	8
Apples	---	2	95	3	---
Chile	4	16	25	48	7
Corn	1	3	7	60	29
Cotton	2	4	35	45	14
Lettuce	---	---	15	35	50
Pecans	---	4	23	42	31
Peanuts	2	2	71	23	2
Sorghum (All)	15	17	29	34	5
Cattle	1	3	20	63	13
Sheep	6	8	45	31	10
Range/Pasture	7	10	16	43	24



# SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	11	33	55	1
Northeast	---	5	90	5
Southwest	2	10	64	24
Southeast	2	10	72	16
State Current	4	14	71	11
State-Last Week	5	13	60	22
State-Last Year	17	41	39	3
State-5-Yr Avg.	27	40	30	3



## WEATHER SUMMARY

An autumn-like surge of dry air brought an end to scattered showers and thunderstorms around mid-week. Heaviest rainfall totals for the week included 2.03 inches at Deming and 1.20 inches at Las Cruces. Some of the storms produced large hail, flash flooding and a brief tornado. The cooler air later in the week brought first freezes to some spots in the north and west.

### NEW MEXICO WEATHER CONDITIONS - SEPTEMBER 11 - 17, 2006

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	09/11 09/17	09/01 09/17	Normal Sept	01/01 09/17	Normal Jan-Sept
Farmington	63.1	83	40	0.44	1.31	0.97	6.04	6.33
Gallup	59.6	81	40	0.31	1.30	1.31	9.22	9.67
Capulin	56.6	76	34	0.98	1.89	2.22	13.58	15.30
Chama	53.4	75	23	0.56	1.52	2.23	15.03	16.13
Johnson Ranch	56.8	78	33	0.00	0.18	1.33	9.27	9.05
Las Vegas	58.8	75	36	0.14	0.86	2.40	14.46	16.27
Los Alamos	58.1	71	43	0.31	1.04	2.12	9.83	15.30
Raton	58.7	78	34	0.14	1.28	1.61	11.96	14.64
Red River	50.7	71	25	0.38	1.33	1.66	17.11	16.69
Santa Fe	59.5	76	38	0.00	2.11	1.51	11.74	11.54
Clayton	63.9	83	40	0.53	0.80	1.77	13.19	13.38
Clovis	69.7	89	50	0.05	1.25	2.16	12.17	14.90
Roy	61.3	78	39	0.60	1.53	1.90	13.79	13.74
Tucumcari	67.9	88	45	0.00	1.53	1.47	13.91	12.45
Grants	57.1	78	32	0.20	0.57	1.56	9.11	8.51
Quemado	58.1	79	28	0.27	1.50	1.73	10.59	11.41
Albuquerque	67.7	81	51	0.00	0.79	1.00	9.53	7.06
Carrizozo	63.3	78	47	0.13	1.46	1.88	9.80	10.12
Socorro	68.0	82	47	0.01	1.86	1.53	10.65	7.37
Gran Quivera	61.2	76	38	0.28	2.51	1.95	15.52	12.74
Moriarty	61.1	78	40	0.00	0.65	1.61	11.80	10.67
Ruidoso	56.1	74	33	0.85	5.35	2.50	26.30	17.53
Carlsbad	73.5	91	58	0.02	5.02	2.75	11.89	10.74
Roswell	69.2	90	52	0.06	3.38	1.87	13.49	10.64
Tatum	68.6	87	49	0.27	7.62	2.36	17.83	13.53
Alamogordo	70.7	84	58	0.18	4.03	1.99	13.11	9.91
Animas	68.9	85	52	0.63	2.30	1.68	10.37	8.76
Deming	68.7	88	48	2.03	3.84	1.63	10.30	8.11
Las Cruces	71.6	88	54	1.20	4.29	1.36	11.37	7.28
T or C	67.6	84	50	0.15	1.28	1.08	8.88	7.67

(T) Trace (-) No Report (\*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

## CROP PRODUCTION

**NEW MEXICO:** September forecast for corn for grain production remained steady with the August forecast at 9 million bushels, down from 9.6 million in 2005. Harvested acreage is down from 55,000 acres to 50,000 acres, while yields are still expected to average 180 bushels compared to 175 bushels last year. Upland cotton yields were forecasted at 1,008 pounds per acre compared to 1,016 pounds per acre one year ago. Producers were expecting to harvest 50,000 acres. American-Pima cotton yields were forecasted at 997 pounds per acre down from 918 pounds per acre. Harvested acres were expected to reach 13,000. Sorghum for grain production is forecasted at 2.0 million bushels with yields, down 22% from 2005, at 35.0 bushels per acre. Peanut production is forecasted to reach 56.0 million pounds with yields averaging 3,500 pounds per acre. Potato harvested acreage is expected to be 5,000 acres compared to 4,200 in 2005.

**UNITED STATES:** Corn for grain acreage harvested and to be harvested for grain is forecast at 71.8 million acres, down 250,000 acres from August and down 4 percent from 2005. All cotton production is forecast at 20.3 million 480-pound bales, down slightly from last month and down 15 percent from last year's record high production. Yield is expected to average 762 pounds per acre, down 3 pounds from last month and down 69 pounds from last year. Upland cotton harvested area, at 12.5 million acres, is virtually unchanged from last month but down 8 percent from 2005. American-Pima harvested area, at 324,000 acres, is down 9,000 acres from last month but up 21 percent from last year. Sorghum production is forecast at 305 million bushels, 3 percent above last month but down 23 percent from last year. Peanut production is forecast at 3.20 billion pounds, down 34 percent from last year's crop and down 2 percent from last month. If realized, this would be the lowest production since 1980. Planted area was revised to 1.24 million acres, down 2 percent from the August estimate and down 25 percent from last year. Fall potato production of 2005 is finalized at 383 million cwt, 7 percent below both the 2004 and 2003 crops. Area harvested, at 949,000 acres, was 7 percent below the previous year and down 13 percent from two years ago. The average yield was 403 cwt per acre, up 2 cwt from 2004 and 27 cwt above 2003.

**September 2006 Crop Summary: Area Harvested, Yield, and Production, 2005 and Forecasted September 1, 2006**

September 2006 Crop Summary: Area Harvested, Yield, and Production, 2005 and Forecasted September 1, 2006							
Crop	Unit	Area Harvested		Yield Per Acre		Production	
		2005	2006	2005	2006	2005	2006
		-----1,000 Acres-----		-----Units-----		-----1,000 Units-----	
NEW MEXICO							
Corn for Grain	Bu.	55	50	175.0	180.0	9,625	9,000
All Cotton <sup>1/ 2/</sup>	Lb.	62.5	63.0	998	1,006	130.0	132.0
Upland Cotton <sup>1/ 2/</sup>	Lb.	51.0	50.0	1,016	1,008	108.0	105.0
A-P Cotton <sup>1/ 2/</sup>	Lb.	11.5	13.0	918	997	22.0	27.0
Sorghum for Grain	Bu.	97	85	45.0	35.0	4,365	2,075
Peanuts	Lb.	19.0	16.0	3,300	3,500	62,700	56,000
Potatoes, Fall <sup>3/</sup>	Cwt.	4.2	5.0	420	---	1,764	---
UNITED STATES							
Corn for Grain	Bu.	75,107	71,841	147.9	154.7	11,112,072	11,113,766
All Cotton <sup>1/ 2/</sup>	Lb.	13,802.6	12,816.0	831	762	23,890.2	20,345.0
Upland Cotton <sup>1/ 2/</sup>	Lb.	13,534.0	12,492.0	825	750	23,259.7	19,520.0
A-P Cotton <sup>1/ 2/</sup>	Lb.	268.6	324.0	1,127	1,222	630.5	825.0
Sorghum for Grain	Bu.	5,736	5,317	68.7	57.3	393,893	304,635
Peanuts	Lb.	1,629.0	1,213.0	2,960	2,640	4,821,250	3,202,600
Potatoes, Fall <sup>3/</sup>	Cwt.	949.0	974.4	403	---	382,743	---

<sup>1/</sup> Production ginned and to be ginned. <sup>2/</sup> Yield reported in pounds per acre; production in bales (480 lb. Net wt.). <sup>3/</sup> The forecast of fall potato production will be published in the "November Crop Production".

## DAIRY OUTLOOK

Economic Research Service, USDA - August 17, 2006

**Hot, Humid Conditions Stress U.S. Dairy Herd:** Milk production estimates were slightly reduced in August to 181.3 billion pounds, down 740 million pounds from July estimates. Unusually hot weather throughout most of the United States, but especially in California and the Southwest, has adversely affected milk production. The major effect of the heat was to reduce output per cow in the third quarter. This month's revised lower projected third quarter production and adjustments to second and fourth quarter production reduces the USDA estimate of annual milk per cow to 19,890 pounds for 2006 from 19,965 pounds in July.

The 2007 production forecast is unchanged from July. The July *Cattle* report indicated that the inventory of dairy replacement heifers over 500 pounds was up 3 percent year-over-year, but relatively weak returns may encourage a gradual reduction in the dairy herd. The higher number of replacements available in coming months should aid in replacing aging animals and those lost to heat. However, the decline in the value of milk cows to less than \$1,700 per head in July from \$1,770 in April as reported in *Agricultural Prices* suggests an easing in the tightness in replacement demand for dairy cattle.

The weather impact on milk production is combining with seasonal factors to reduce the amount of milk available for manufacturing purposes. During August, the Southeast begins to import milk from surrounding regions to offset seasonal declines in local production. Additionally, handlers begin to fill the pipeline for the beginning of the school year. Daily fluid milk sales are typically higher in the fall months compared with summer. This increased demand for fluid use has reduced seasonal availabilities to the manufacturing sector, adding to tightness from reduced production.

Cheese prices, on a gradual decline all year, have stabilized in recent weeks and increased some in response to the hot weather. Year-to-date prices are below those of 2005 and 2004. Although supply conditions for cheese are tightening both seasonally and due to weather, there are ample supplies in storage for at least the short run. The cheese price should recover in the fourth quarter. The 2006 yearly average price is projected to be \$1.22-\$1.24 per pound. The forecast for 2007 is unchanged from July.

The butter price has inched upward the last week of July, and sales have increased through the end of July but there are indications that stocks are being drawn down. Lower supplies of fluid milk and reduced fat tests are reducing availability of cream for butter production. The butter price should continue to strengthen for the remainder of 2006 and will likely average \$1.21-\$1.25 per pound for the year. Like other dairy products, the steady global demand outlook for NDM faces reduced supply. Both seasonal factors and weather have reduced supplies to drying facilities. Whey markets have also firmed in recent weeks. The price forecast for NDM is expected to average 85.5-87.5 cents per pound for 2006. The forecast price for 2007 remains unchanged from July at 81.5-88.5 cents per pound. Whey price is projected steady to lower for the third quarter. Some price recovery in the fourth quarter should place the 2006 yearly price at 29.5-31.5 cents per pound.

The slightly higher product prices will strengthen milk prices in general. The Class III price is expected to reach \$11.50-\$11.70 per cwt in 2006, well below 2005 but marginally higher than July's projected range. Forecast 2007 price is expected to be \$12.00-\$13.00, up slightly from July's forecast. The 2006 Class IV price is projected to be \$10.75-\$11.05 per cwt, up significantly from July's estimate. The 2007 Class IV price forecast is unchanged from July. The all-milk price should recover during the months of August to December as inventories of products are worked down and weather-related production declines work through product markets. The all-milk price is expected to be \$12.60-\$12.80 per cwt for 2006. Although production in 2007 is forecast higher than in 2006, the rate of increase is forecast to increase less than 1 percent. This will likely increase the 2007 all-milk price to \$12.90-\$13.90 per cwt.